

**IPP****INTERCOUNTRY POLICE PROJECT**

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January 5, 1978

Mr. David A. Wagoner  
Director, Air and Hazardous  
Materials Division  
United States Environmental  
Protection Agency  
1860 Lincoln Street  
Denver, Colorado 80295

Attention Mr. Norm Huey  
Chief, Technical Support Group

Dear Mr. Wagoner:

As a result of discussions held in your office on December 13, 1977 between your Mr. Norm Huey and Staff, and IPP representatives John Avalos and Clark Layton, we have reviewed the status of our application for PSD review submitted on July 1, 1977. We request that you hold this application in abeyance until further notice from IPP, pending promulgation of EPA guidance regulations for Sections 160-169, Prevention of Significant Deterioration of Air Quality. It is our understanding that final promulgation of these guidelines is expected no later than March 1, 1978.

The IPP Project is deeply concerned over the absence of guidelines for processing applications for PSD review submitted prior to the enactment of the 1977 Clean Air Act Amendments. Your letter dated September 21, 1977, indicated that a decision on the PSD application would be rendered on approximately October 21, 1977. Subsequently, your letter dated October 12, 1977 indicated a further delay pending the publishing by EPA of revisions to its regulation for PSD, codified at 40 CFR 52.21. These revisions were published in the Federal Register on November 3, 1977 and did not contain the provision for seeking a variance from Class I PSD increments provided for in the Clean Air Act Amendments passed by the Congress on August 7, 1977.

We strongly urge you to press for timely issuance of regulations for Section 165, and specifically paragraph (d)(2)(D) which contains the variance procedure. This may help us avoid possible

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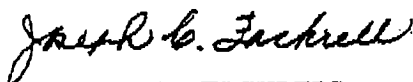
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further delays in processing the application along all channels provided for in the 1977 Amendments. IPP is very concerned that the effective date of Section 165 might be prolonged if other portions of the Section dealing with Best Available Control Technology are held up in litigation.

If IPP can be of any assistance in this matter, please do not hesitate to call upon us.

Sincerely,



JOSEPH C. FACKRELL  
President  
Intermountain Power Project

JAA:nf